

CONSENT AGENDA

POSSIBLE MOTION

**I MOVE TO APPROVE THE CONSENT AGENDA
CONSISTING OF ITEMS A, B, C & D**

I wish to remove Item(s) _____

**REMINDER – Read aloud a portion of each item being
voted on that is included in the consent vote.**

Should this item be pulled from the Consent Agenda the following motion is suggested:

POSSIBLE MOTION

I MOVE TO approve the minutes of the
February 13th/14th Assembly meeting.



CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS
330 Harbor Drive
Sitka, AK
(907)747-1811

Minutes - Draft

City and Borough Assembly

*Mayor Matthew Hunter
Deputy Mayor Steven Eisenbeisz,
Vice Deputy Mayor Bob Potrzuski,
Aaron Bean, Kevin Knox, Dr. Richard Wein,
Benjamin Miyasato*

*Municipal Administrator: Keith Brady
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson*

Tuesday, February 13, 2018

6:00 PM

Assembly Chambers

REGULAR MEETING

This meeting recessed at 10:25pm on February 13 and reconvened on February 14 at 6pm.

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 7 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Knox, Bean, and Wein

IV. CORRESPONDENCE/AGENDA CHANGES

No agenda changes.

18-023 Reminders, Calendars and General Correspondence

V. CEREMONIAL MATTERS

None.

VI. SPECIAL REPORTS: Government to Government, Municipal Boards/Commissions/Committees, Sitka Community Hospital, Municipal Departments, School District, Students and Guests (five minute time limit)

None.

VII. PERSONS TO BE HEARD

Jeff Arndt spoke in support of the Tobacco 21 initiative.

Sigurd Rutter requested the Assembly establish an optimum number of taxi companies and impose a moratorium on new operators until attrition brought participation to a sustainable range.

Alyssa Russell and Eric Jordan of the Alaska Longline Fishermen's Association updated the Assembly on the Young Fishermen's Initiative and the Crewmember Apprenticeship Program.

Linda Waller, board member of Sitka Sound Science Center, invited the Assembly to the kick off of the Mill Building restoration project on February 16.

VIII. REPORTS

a. Mayor, b. Administrator, c. Attorney, d. Liaison Representatives, e. Clerk, f. Other

Mayor - Hunter thanked the Sitka Volunteer Fire Department for the quick response to the recent boat fire off of Katlian Street.

Administrator - Brady applauded the Public Works Department for their quick response and successful repairs with the Thomsen Harbor lift station, announced the City had received a "clean" audit report from the auditors, and reminded the public comment period was open for the 2030 Comprehensive Plan.

Liaison Representatives - Potrzuski reported on the Gary Paxton Industrial Park Board meeting, Wein on the Health Needs and Human Services Commission, Eisenbeisz spoke to highlights of the Sitka Community Hospital Board meeting, Miyasato on the Police and Fire Commission, Hunter reported on the Library Commission, and Knox on the Parks and Recreation Committee meeting.

Clerk - Peterson reminded the Assembly of the February 20th work session: a review of the Long Range Fiscal Plans and read through the current vacancy list for boards, commissions, and committees.

Other - Wein expressed a desire for Sitka Community Hospital to provide a status report at each Assembly meeting.

IX. CONSENT AGENDA

A motion was made by Knox that the Consent Agenda consisting of items A & B be APPROVED. The motion PASSED by a unanimous voice vote.

A 18-020 Approve the minutes of the January 23 Assembly meeting

This item was APPROVED ON THE CONSENT AGENDA.

- B 18-019** Liquor license applications: 1) Approve a liquor license renewal for Bayview Pub, LLC dba Bayview Restaurant at 407 Lincoln Street, Ste 201, 2) Approve a liquor license renewal for Beak, LLC dba Beak Restaurant at 2 Lincoln Street, Ste 1A, and 3) Approve a liquor license renewal for The Longliner Lodge & Suites, LLC dba The Longliner Lodge & Suites at 485 Katlian Street

This item was **APPROVED ON THE CONSENT AGENDA.**

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- C 18-022** Appoint Pat Hughes to a three-year term on the Local Emergency Planning Committee - Category 2

Miyasato thanked Hughes for his willingness to serve. Wein noted Hughes was a representative for Sitka Community Hospital.

A motion was made by Miyasato that this Item be APPROVED. The motion PASSED by the following vote.

Yes: 7 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Knox, Bean, and Wein

XI. UNFINISHED BUSINESS:

- D ORD 18-01** Amending Sitka General Code Section 2.08.050 Planning Commission Organization

Wein reminded his concern, as stated at a previous meeting, was that the Planning Commission meetings not conflict with other board, commission, and Assembly functions. Eisenbeisz stated upon review of the hearing schedule in the packet, it appeared the Commission would meet the 2nd and 4th Thursday of each month. He noted he would have preferred to see the ordinance changed to the 2nd and 4th Thursday of each month and then a caveat added to allow for additional flexibility.

A motion was made by Potrzuski that this Ordinance be APPROVED on SECOND AND FINAL READING. The motion PASSED by the following vote.

Yes: 6 - Miyasato, Potrzuski, Hunter, Knox, Bean, and Wein

No: 1 - Eisenbeisz

- E ORD 18-02** Authorizing the lease of Alaska Tideland Survey 1300 to Larry McCrehin (adjacent 4319 Halibut Point Road and 104 Pirates Way)

Wein believed the term of the lease, 50 years, set a precedent for future leases. Hunter reminded the Assembly had previously been informed the subject property was useful only to the upland property owner.

A motion was made by Knox that this Ordinance be APPROVED on SECOND AND FINAL READING. The motion PASSED by the following vote.

Yes: 7 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Knox, Bean, and Wein

F 18-015

Discussion/Direction regarding the removal of fluoride from municipal drinking water (postponed from the 1/23 meeting)

Environmental Superintendent, Shilo Williams, briefed the Assembly on current fluoridation practices and optimal levels and answered questions of the Assembly.

Citizens speaking in support of the topic going on the October 2018 ballot were: Lydia McGraw, Leah Murphy, Tamara Kyle, Ginny Olney, Jeren Schmidt, Faith Lee and Randy Gluth.

Citizens in opposition to the topic going to a vote were: Sue Riggs, Jeremiah Craig, Lance Ewers, David Kanosh, Connie Kreiss, Gretchen Clarke, Ross Marley, Dave Logan, Bruce Gazaway, Kenneth Cameron and Hilloah Courtney.

Assembly Deliberation

Miyasato thanked the public for their comments. He added fluoride was a topic he had tried to bring before the Assembly when he previously served. While helpful to the dental health of a general population, Wein stated fluoride was a contentious issue. He stated putting the topic to a vote would give citizens an opportunity to explore both sides of the issue, examine scientific research, and reason what was best for themselves. Bean stated citizens should have the right to choose whether fluoride was added to their water and not have the government decide for them. Eisenbeisz agreed fluoride was a contentious issue and reminded some individual's had testified the removal was a responsibility of the Assembly. Knox believed the decision should be made by the Assembly and stated members were elected to make decisions for the community. In addition, he expressed concern of the possibility of misinformation being circulated to citizens by advocacy groups. Potrzuski noted it was a difficult decision. He believed the scientific research on fluoride was clear. On the other hand, people should have the right to decide what goes in their body. Hunter stated every study he had read pointed to the benefits of fluoridation. He also believed people should have a right to control what goes in their body. He reminded, however, that currently individuals did have a choice. If they wished to not have fluoride in their water, a filter to remove fluoride could be purchased. He believed if a decision was made to remove fluoride, those less fortunate could be at risk.

A motion was made by Wein to have the presence or absence of fluoride go for referendum on the next ballot in October. The motion FAILED by the following vote.

Yes: 3 - Eisenbeisz, Bean, and Wein

No: 4 - Miyasato, Potrzuski, Hunter, and Knox

Those testifying in support of removing fluoride were: Hilloah Courtney, Randy Gluth, and Faith Lee.

Testifying against the motion to discontinue fluoridation were: Kenneth Cameron, Tim Eddy, Ross Marley, Bruce Gazaway, Gretchen Clarke, David Logan, and Charles Bingham.

Assembly Deliberation

Miyasato stated the public should have additional time to comment before the

Assembly made a decision. Wein stated the fluoride issue was challenging and contentious. He reminded the previous motion was to allow the people to decide. The motion to remove fluoride was now an Assembly choice. Wein stated science demonstrated the positive effects of fluoride on dental health and believed it should remain in the water based on science. Bean believed people should have the right to choose whether or not they consume fluoride. Potrzuski reminded an alternative was for citizens to bring forward a petition to have the issue of fluoride placed on the ballot. Knox shared thoughts from a conversation he had had with a dentist. Studies showed high rates of tooth decay, in particular among children, in non-fluoridated communities.

A motion was made by Eisenbeisz to discontinue fluoridation of our community's drinking water. The motion FAILED by the following vote.

Yes: 2 - Eisenbeisz, and Bean

No: 5 - Miyasato, Potrzuski, Hunter, Knox, and Wein

G 18-009

Approve sending an Assembly member or Municipal Administrator to attend the March Seatrade Cruise Global event in Fort Lauderdale, FL (postponed from the 1/23 meeting)

Sheila Finkenbinder offered support in sending an Assembly member or the Administrator.

Mayor Hunter recalled, based on recommendations from the visitor industry, the City had sent a representative for a number of years and reminded money for the trip was budgeted with funds being used from the Visitors Activities Enhancement Fund. It was noted Eisenbeisz attended in 2017. Members supported his attendance again and stated consistency was important.

Wein suggested an idea for the future might be to offer the trip as an award/reward to an exceptional community member. Miyasato agreed.

A motion was made by Knox to approve sending Assembly member Eisenbeisz to the Seatrade Cruise Global event in Fort Lauderdale, FL with expenses to be paid from the Visitor Activities Enhancement Fund. The motion PASSED by the following vote.

Yes: 7 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Knox, Bean, and Wein

H 18-018

Reassignment of an Assembly Liaison to the Historic Preservation Commission (postponed from the 1/23 meeting)

Miyasato offered to serve as liaison to the Historic Preservation Commission.

XII. NEW BUSINESS:

I 18-021

Approve a lease agreement between O'Brien & Son's Construction LLC and the City and Borough of Sitka for Block 4, Lot 7 of the Gary Paxton Industrial Park

Jim O'Brien, co-owner of O'Brien and Sons Construction explained the planned use for the premises. Wein asked for clarification of some of the technical aspects of the lease

such as the lease rate and environmental bonding requirements if soil remediation were to occur on the property. Wein stressed the importance of ensuring the City was protected.

Potrzuski, Bean and Hunter thanked O'Brien for bringing forward the business venture. Bean reminded the Gary Paxton Industrial Park Board had vetted the request and had recommended approval of the lease.

A motion was made by Potrzuski that this Item be APPROVED. The motion PASSED by the following vote.

Yes: 7 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Knox, Bean, and Wein

J ORD 18-04

Amending Title 15 of the Sitka General Code by adding a new Chapter 15.15 "Utility Cost Subsidization Program" - 1st reading

Cosponsors of the ordinance, Potrzuski and Knox, explained their reasons for bringing the ordinance forward. They offered the subsidization program was a way to assist those most affected by the utility rate increases, those whose incomes were low and were struggling to make it and may be possibly on the verge of leaving Sitka. Knox, Potrzuski, and Eisenbeisz reminded money had been appropriated by the Assembly for this program. Chief Finance and Administrative Officer, Jay Sweeney, clarified that that money would need to be reappropriated for FY19. Bean wondered of administrative costs and how many households would qualify. While not in favor of subsidization, he suggested an alternative may be to reduce overall rates. Sweeney, noted there would be administrative costs but believed the work could be accomplished without additional FTE's in the Finance Department. He also noted an implementation policy would need to be created for staff. Wein spoke to the large budget deficit and while well intended wondered if consideration of the ordinance should wait until after the budget process. He, too, wished to have further information (e.g. the number of qualifying households) and questioned the sustainability of the program. Miyasato offered support for the ordinance and stated some citizens were struggling.

A motion was made by Wein to POSTPONE this Item to the March 13, 2018 Assembly meeting. The motion PASSED by the following vote.

Yes: 5 - Potrzuski, Hunter, Knox, Bean, and Wein

No: 2 - Miyasato, and Eisenbeisz

A motion was made by Bean to EXTEND to 11pm. The motion FAILED by the following vote - six votes in the affirmative were needed to extend.

Yes: 5- Potrzuski, Knox, Bean, Hunter, Wein

No: 2- Miyasato, Eisenbeisz

With only 5 minutes remaining until adjournment, Mayor Hunter called for a Special Meeting Wednesday, February 14 at 6pm to reconvene and finish the remaining agenda items. The meeting ADJOURNED at 10:25pm.

The meeting RECONVENED on Wednesday, February 14 at 6pm.

ROLL CALL:

Present: 5 - Miyasato*, Eisenbeisz, Potrzuski, Hunter, Wein

Absent: 2 - Knox, Bean

***Miyasato was present from 6:00pm to 6:30pm.**

K ORD 18-03 Adjusting the FY18 Budget (document management system, investment management fees)

Municipal Clerk Sara Peterson explained the intended use of funds and benefits related to the document management system upgrade.

Jay Sweeney, Chief Finance and Administrative Officer, provided clarification regarding the two budget adjustment items related to investment management services. Sweeney noted the fee schedule was a sliding scale and spoke to how investment fees were accounted for. Sweeney stated an investment management service was the best choice for the municipality. Not only was there the benefit of having expertise there was the benefit of multiple individuals reviewing and assessing the investments. Sweeney added that in Alaska, communities larger than Sitka, had also contracted with outside investment firms. Hunter reminded this contract had been awarded in April 2017 and believed it was a worthwhile investment.

A motion was made by Potrzuski that this Ordinance be APPROVED on FIRST READING. The motion PASSED by the following vote.

Yes: 5 - Miyasato, Eisenbeisz, Potrzuski, Hunter, and Wein

Absent: 2 - Knox, and Bean

L ORD 18-05 Adjusting the FY18 Budget (Sitka Community Hospital RFP)

Administrator Brady reviewed the proposed phases and consultant deliverables.

Public Comment:

Rob Allen, Sitka Community Hospital Chief Executive Officer, encouraged the Assembly to approve the ordinance. He spoke to the complexity of providing healthcare and stressed the importance of having a consultant's expertise.

Carin Adickes stated Sitka Community Hospital was doing well and spending more taxpayer money on consultants was unnecessary.

Assembly Deliberation:

Wein suggested sending out the RFP as written to see what kind of response was received. He believed it was important to exhaust all options and suggested beginning with a local process to explore problem solving measures. He added it was premature to bring in consultants. Potrzuski and Eisenbeisz stated while the dollar figure was large, expressed the importance of a thorough process. Hunter agreed and stated it was important to exhaust all options. If \$100,000 was the figure needed for a

successful RFP process and the process ultimately led to a successful path for Sitka Community Hospital then it was money well spent.

Municipal Attorney, Brian Hanson, reminded the \$100,000 put a cap on the expenditure and was a worst case scenario. In his research he had looked for a small firm that offered flexibility and expertise at a reasonable price. He stated the consultants were needed in order to move forward with the process.

A motion was made by Potrzuski that this Ordinance be APPROVED on FIRST READING. The motion PASSED by the following vote. (Note: Section 3.02 of the Home Rule Charter states the only way an ordinance fails on first reading is if there are four votes in opposition.)

Yes: 3 - Eisenbeisz, Potrzuski, and Hunter

No: 1 - Wein

Absent: 3 - Miyasato, Knox, and Bean

XIII. PERSONS TO BE HEARD:

Rob Allen, Sitka Community Hospital Chief Executive Officer, stated changes needed to be made at SCH in order for it to be viable long term. While conflicted on the issue of a RFP, he felt it important to execute the process wisely, use a consultant and put the necessary resources into it.

XIV. EXECUTIVE SESSION

None.

XV. ADJOURNMENT

February 14 (meeting continuation)

A motion was made by Potrzuski to ADJOURN. Hearing no objections, the meeting ADJOURNED at 7:15pm.

ATTEST:

**Sara Peterson, MMC
Municipal Clerk**